

## SENATE BILL No. 405

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-4.

**Synopsis:** Assessment of agricultural land. Provides that the soil productivity factors used for the March 1, 2011, assessment of agricultural land must be used for assessment dates occurring after March 1, 2014. Specifies the manner in which the department of local government finance (DLGF) shall adopt rules to provide a method for determining the true tax value of agricultural land. Provides that the method in effect for the 2014 assessment date must be used until superseded by a method provided in rules adopted by the DLGF. Provides that the rules do not apply to a particular assessment date unless the rules take effect at least 120 days before that assessment date. Requires 180 days notice and allows a hearing before the county property tax assessment board of appeals before removing a parcel from the agricultural land assessment method. Provides that if the assessing official proves by a preponderance of the evidence that the parcel is not eligible for assessment as agricultural land, the property tax assessment board of appeals shall approve the removal of the parcel from the agricultural land assessment method. Provides that for purposes of the 2015 assessment date, the statewide agricultural land base rate value per acre used to determine the value of agricultural land is \$2,050.

**Effective:** January 1, 2015 (retroactive).

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**Leising, Glick**

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January 12, 2015, read first time and referred to Committee on Agriculture.

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First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

## SENATE BILL No. 405

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 6-1.1-4-13, AS AMENDED BY P.L.85-2014,  
2       SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       JANUARY 1, 2015 (RETROACTIVE)]: Sec. 13. (a) In assessing or  
4       reassessing land, the land shall be assessed as agricultural land only  
5       when it is devoted to agricultural use.  
6       (b) The department of local government finance shall give written  
7       notice to each county assessor of:  
8               (1) the availability of the United States Department of  
9               Agriculture's soil survey data; and  
10              (2) the appropriate soil productivity factor for each type or  
11              classification of soil shown on the United States Department of  
12              Agriculture's soil survey map.  
13       All assessing officials and the property tax assessment board of appeals  
14       shall use the data in determining the true tax value of agricultural land.  
15       However, notwithstanding the availability of new soil productivity  
16       factors and the department of local government finance's notice of the



1 appropriate soil productivity factor for each type or classification of  
 2 soil shown on the United States Department of Agriculture's soil survey  
 3 map for the March 1, 2012, assessment date. The soil productivity  
 4 factors used for the March 1, 2011, assessment date shall be used for  
 5 the March 1, 2012, assessment date, the March 1, 2013, assessment  
 6 date, and the March 1, 2014, assessment date. New soil productivity  
 7 factors shall be used for assessment dates occurring after March 1,  
 8 2014, and for each assessment date thereafter. All assessing  
 9 officials and each property tax assessment board of appeals shall  
 10 use the soil productivity factors described in this subsection in  
 11 determining the true tax value of agricultural land.

12 (c) The method of determining the true tax value of agricultural  
 13 land applicable to the March 1, 2014, assessment date remains in  
 14 effect until superseded by a method provided in rules adopted  
 15 under this subsection. Notwithstanding any law or executive order  
 16 to the contrary, the department of local government finance shall by  
 17 rule adopt rules under IC 4-22-2 to provide for the method for  
 18 determining the true tax value of each parcel of agricultural land. Rules  
 19 adopted under this subsection do not apply to a particular  
 20 assessment date unless the rules take effect at least one hundred  
 21 twenty (120) days before that assessment date.

22 (d) This section does not apply to land purchased for industrial,  
 23 commercial, or residential uses.

24 (e) An assessing official may not reclassify a taxpayer's parcel  
 25 of agricultural land unless the assessing official provides the  
 26 taxpayer with written notice of the change in classification at least  
 27 one hundred eighty (180) days before the assessment date. Upon  
 28 the request of the taxpayer, the property tax assessment board of  
 29 appeals for the county in which the parcel is located shall conduct  
 30 a hearing on the proposed change in classification. If the assessing  
 31 official proves by a preponderance of the evidence that the parcel  
 32 is not eligible for assessment as agricultural land, the property tax  
 33 assessment board of appeals shall approve the reclassification of  
 34 the taxpayer's parcel.

35 SECTION 2. IC 6-1.1-4-13.2 IS ADDED TO THE INDIANA  
 36 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 37 [EFFECTIVE JANUARY 1, 2015 (RETROACTIVE)]: Sec. 13.2. (a)  
 38 Notwithstanding the provisions of this chapter and any real  
 39 property assessment guidelines of the department of local  
 40 government finance, for the property tax assessment of  
 41 agricultural land for the assessment date in 2015, the statewide  
 42 agricultural land base rate value per acre used to determine the



1 value of agricultural land is two thousand fifty dollars (\$2,050),  
2 and this amount shall be substituted for any agricultural land base  
3 rate value included in the Real Property Assessment Guidelines or  
4 any other guidelines of the department of local government finance  
5 that apply for those assessment dates.

6 (b) This section expires January 1, 2018.

7 SECTION 3. An emergency is declared for this act.

